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Legislature committee considers NU insurance plan

By Randy Essex

NU would be able to claim it is like Harvard University in at least one way if a bill heard Monday by the Legislature's Banking, Commerce and Insurance Committee becomes law.

LB309 would allow the university to insure itself through a "captive" insurance company. Under the plan, the NU Board of Regents would appoint the directors of a company that would insure general and professional liabilities of the university.

The liabilities are claims that would be brought in court against the university for personal damages allegedly suffered on university property or caused by the neglect of university personnel. Medical or legal malpractice would fall into the second category.

The captive company would be formed as a distinct corporate entity, although it would be a part of the overall university system, explained Roy Loudon, administrator for personnel and risk management. Loudon said the university would pay

insurance premiums to itself through the captive company.

Hospital liability

In outlining NEBRINCO, a proposal for the Nebraska Regents Insurance Company, attorney Charles Pallesen, Jr. told the committee the university has been unable to buy \$900,000 worth of insurance on the open market.

Pallesen pointed out that Harvard and Yale insure their risks through captive companies.

The \$900,000 gap, Pallesen said, is in hospital general liability. That liability would fall on the university if a patient at the Medical Center Hospital won a lawsuit for damages.

Pallesen told the committee insurance companies combine that insurance with malpractice, or hospital professional liability coverage. He said the university looked all over the world for a company that would cover that risk, but found only one, and the cost was too high.

But the captive insurance plan was not greeted well by private insurance repre-

sentatives. One observer (who did not testify) commented that the plan seemed socialistic to him.

Bandwagon

Another opponent said every political subdivision in the state would want to "jump on the bandwagon" and form a captive company.

Lynn Rex, representing the Nebraska League of Municipalities, testified in favor of the proposal.

She told the committee the league supported the bill if it allowed municipalities to form captives. Pallesen presented an amended version of the bill which would allow only colleges to form the companies.

John Bining, a former director of the state's Department of Insurance, said the university could be coming back to the Legislature every year for money to underwrite claims.

Bining said the university's plan to insure any claims brought against it through a letter of credit would not be sufficient. He said there is a great deal of litigation brought by the holders of a letter of credit

to collect the money promised by the writer of the letter.

Lloyd's of London

But, Loudon said, the university would probably not have to draw on the letter, because it could buy insurance on the "reinsurance" market. Pallesen said Lloyd's of London is an example of a company dealing in reinsurance.

If the university were ordered to pay a very large claim, Pallesen said, it could pay a premium to a company like Lloyd's, Lloyd's would pay the claim, and the university would be freed of its obligation.

But Bining urged the committee to kill the bill because captives are a new concept that, in his opinion, pose regulatory problems.

"There will never be a judgment against the captive company, it will be against NU: the state of Nebraska," Bining said.

He said the cost of paying an insurance premium to a private company is fixed, but the claims against a captive company are not.

Pallesen pointed out that the university has only had \$2,534 in claims since 1974.

Omaha senators retract alien bill

Omaha senators Vard Johnson and Neil Simon backed off Monday on their move to require persons suspected of being illegal aliens to supply several forms of identification to prospective employers upon demand.

Johnson and Simon announced at a hastily-called press conference that they would ask the Legislature to send LB51 back to committee for further study.

"We have been told in no uncertain terms by the Mexican-American community in Omaha that the bill would have an oppressive effect," Johnson said.

Pete Uridiales, executive director of the Mexican-American Commission, said the bill would have sanctioned discrimination by employers with bigoted feelings. Uridiales said identification could be required of anyone who looks "foreign," which would be discriminatory.

Simon and Johnson said they don't want to be part of anything that could be oppressive. Simon said an interim study would be conducted in conjunction with the commission to determine the scope and nature of the problem with undocumented workers in the state.

The senators said they were not responding to a perceived national problem with a full understanding of the problem in the state.

An interim study was conducted two years ago, but Johnson said the data needed to determine need for the legislation was not collected.

The senators said their proposed interim study will be better because the Mexican-American commission will work with the study committee.



Photo by Mary Anne Golon

These toboggan riders were not alone Sunday afternoon at Pioneers Park. Over 300 people packed the sledding area of the park for the "Fastest Sled in the West" contest. For story and more pictures, see page 8.

Valentines range from underwear to intimate cookies

By Cecille Coffman

Al Capone's gift to the city of Chicago on Saint Valentine's Day in 1929 was different, to be sure. And the cost was more than most could afford.

The Valentine's gift of today is not as unusual, but the effect is definitely more pleasurable. The choices range from a basic Valentine cake or floral arrangement to decorative underwear or a singing valentine.

Klein's Bakery is offering cakes and cookies to the prospective gift giver. The most popular baked item seems to be a decorated cake.

The Union Bakery once again is selling heart-shaped cookies which can be decorated with any saying from Cupid. Ac-

ording to an employee, the most popular message is a Happy Valentine's Day wish, but some buyers have resorted to more intimate expressions of affection.

Cards and candy are available in many stores. These are effective as they bring a tear to the eye, pull at a heart string, or produce a chuckle.

Flowers are a special valentine. Robert Danielson of Danielson Floral Company said roses most often are requested, but are so popular there is a shortage.

If one is far from that special person, flower orders can be wired across the country. So if distances are a problem, don't despair.

Assorted gifts — jewelry, perfume, scented candles and scented fans—are avail-

able to the discriminating giver and red, fuzzy animals will warm those cold nights.

For the giver who wants to be different, members of the Alpha Omicron Pi sorority will sing your sweetheart a valentine. Several choices are offered, some tamer than others.

Once again, decorative underwear is awaiting the connoisseur of intimate apparel at the Nebraska Bookstore. This gift, however, should be given with discretion.

If all else fails and you find no personal valentine to give, you can "Give from the Heart" Wednesday when the Community Blood Bank visits Wesley House. The donations will be for burn patients and elderly persons.

Remember, Valentine's Day gifts should

be reflections of love and friendship. Al Capone did not have the right idea.

inside
wednesday

Cool it, YAF: Columnist Mike Gibson comments on the latest Young Americans for Freedom letter to conservative Nebraskans . . . page 4

No crumbs, please: Food reviewer Ben T. Shomshor takes a look at foods to eat in bed . . . page 14

Third time's a charm?: Husker basketball team hopes it is when it meets Oklahoma in Norman tonight . . . page 16